

**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

19 October 1962

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**THE WEEK IN BRIEF**  
(Information as of 1200 EDT 18 Oct)

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**SOVIET FOREIGN POLICY DEVELOPMENTS . . . . . Page 1**

Moscow took further steps last week to prepare the way for talks between Khrushchev and President Kennedy. In a long interview on 16 October with the new US ambassador, Khrushchev reportedly stressed his desire to negotiate a Berlin settlement. Moscow also took the initiative in arranging Gromyko's talk on 18 October with President Kennedy. The Soviet press, meanwhile, has deplored recent statements by US leaders regarding the possibility of a new Berlin crisis after the US elections.

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**ALBANIAN REACTION TO SOVIET-YUGOSLAV RAPPROCHEMENT . . . . Page 3**

Albania's first official comment on the recent Brezhnev trip to Yugoslavia condemns Khrushchev for a "great betrayal" of Marxism-Leninism. It warns that the Soviet bloc rapprochement with Yugoslavia could split international Communism into competing ideological groups. Since Albania is too weak to organize a rival movement, its more immediate aim is probably to foster factionalism in the Communist world, particularly in Eastern Europe.

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**SOVIET CROP PROSPECTS . . . . . Page 4**

Crop and livestock production in 1962--the mid-point of the USSR's Seven-Year Plan--will once again be well below plan. Khrushchev's insistence on use of fallow land was in large part responsible for a 5-percent increase in the sown area, but poor weather in many important agricultural areas has reduced yields.

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**COMMUNIST CHINA'S GRAIN IMPORTS AND FOREIGN EXCHANGE POSITION . . . . . Page 5**

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Peiping's recent agreement to buy 680,000 tons of wheat from Australia brings total grain contracts signed with the West since late 1960 to over 11 million tons, with a value of over \$700 million. China is meeting its payment obligations for this grain, and thus far the foreign exchange problem has not been unmanageable. Although Peiping has expressed hopes for a "slightly better" harvest this year, all indications point to a continuing need for grain imports.

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**SINO-INDIAN BORDER CLASHES INTENSIFY . . . . . Page 6**

Military activities along the Indian-Chinese border have been further stepped up, with clashes occurring recently between forces of battalion size. Although the political and military moves by each side contain large elements of bluff, both New Delhi and Peiping have committed their prestige so far that only severe winter weather will force a suspension of military operations.

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## PAKISTANI OPPOSITION UNITING AGAINST AYUB . . . . . Page 8

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The opposition of old-line politicians to President Ayub has become increasingly effective since most restrictions on political activity were relaxed last spring. Under the leadership of former Prime Minister Suhrawardy, they are attracting substantial popular support. Ayub will probably try to avoid countermeasures which would discredit his experiment with limited constitutional rule. Nevertheless, he is concerned enough to be considering steps as drastic as the reimposition of martial law.

## YEMENI REBEL REGIME GAINING STRENGTH . . . . . Page 9

The rebel regime appears to be strengthening its hold, although clashes between revolutionary forces and royalist tribes continue in the mountainous northern and eastern sections of Yemen. King Saud has been under strong pressure from King Husayn to intervene more openly on the side of the royalists. The Yemeni revolution has reportedly driven Saud into a state of nervous tension. On 17 October, presumably as a result of pressure from a group of influential Saudi princes, he issued a decree dissolving the Council of Ministers and appointing Crown Prince Faysal prime minister with authority to form his own cabinet.

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## CONGO DEVELOPMENTS . . . . . Page 11 25X1

Despite Tshombé's steps to implement part of the UN reconciliation plan, Adoula precipitated a new crisis on 17 October by publicly repudiating the cease-fire and the financial arrangements his representatives had signed in Elisabethville. Another dispute is almost certain to develop over the UN-drafted constitution which Adoula presented to the provincial presidents on 16 October. Adoula's repudiation of the Elisabethville accords will cause Tshombé to hold up on any further moves on implementing the UN plan.

## THE EEC AND AFRICA . . . . . Page 12

Ministers of the six Common Market countries and of 18 associated African states are meeting in Brussels on 23 and 24 October to resume discussion of an EEC-African association convention. They are attempting to meet the deadline imposed by the expiration this year of the present convention, and a broad area of understanding has already been reached. Nevertheless, several knotty problems remain, and there now are two new ones--what Algeria's relationship with the EEC should be, and the implications of the decision by the African Commonwealth members to reject prospective association with the Common Market.

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## FRENCH POLICY IN LAOS . . . . . Page 14

Paris appears to be moving cautiously toward an agreement with the Laotian Government on the employment of a French military training mission in Laos. Such an agreement had

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been delayed partly because of France's desire to await the 7 October deadline for the withdrawal of other foreign military forces and partly because of the lack of planning on the part of the Laotian Government. France has long favored a neutral Laos and reduction of the East-West military confrontation in Southeast Asia. It will probably be unwilling to risk its position in Laos by pressing hard for pro-Western policy decisions from Souvanna. [REDACTED]

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## ITALIAN POLITICAL SITUATION . . . . . Page 15

Premier Fanfani's center-left government is making steady progress toward implementing its program of economic and administrative reform. Its success is in part due to the support it is receiving from its Socialist allies in Parliament, a development which is also significantly reducing the parliamentary influence of the Communists. The coalition parties hope to maintain this momentum so as to be able to make gains in the national elections planned for next spring. However, the reform program still faces numerous obstacles, and the government parties are already bickering among themselves in an attempt to bolster their own chances in the elections. [REDACTED]

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## PORTUGAL AND THE UN . . . . . Page 16

In the forthcoming UN General Assembly debate on Angola, Portugal's African policy is likely to face the most bitter attack yet by the Afro-Asian bloc. If the Portuguese do not receive from their NATO allies the support to which they feel entitled, Lisbon may again consider withdrawing from the world organization. [REDACTED]

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## CUBAN DEVELOPMENTS . . . . . Page 17

Soviet military shipments are continuing. There is no evidence that Cubans have begun training in the operation of missile installations being set up in Cuba, but training is under way on other Soviet equipment supplied. Meanwhile, the USSR continues to show concern over efforts to restrict shipping being used to carry nonmilitary goods to Cuba. [REDACTED]

## CONFERENCE ON BRITISH GUYANA'S INDEPENDENCE . . . . . Page 18

The conference on independence for British Guyana--originally set for last May but postponed because of the February riots--is to open in London on 23 October. Britain is not likely to set an independence date until some agreement is reached on the electoral provisions of the colony's future constitution. Premier Jagan's Communist-oriented party and the main opposition party give the appearance of being sharply at odds on this issue, and the conference may reach an early deadlock. Should it break down, new outbreaks of violence may follow. [REDACTED]

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## ELECTIONS IN ARGENTINA SET FOR NEXT SPRING . . . . . Page 19

The Guido government's intention to hold elections sometime between March and June 1963 will probably cause concern among hard-line military elements. However, an

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immediate revival of the military struggle for power is not expected; the hard-liners do not seem to have the necessary support at the present time. Nevertheless, factionalism among the "legalists" continues, and may increase as Peronists intensify their political activity. [REDACTED]

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## THE BRAZILIAN ELECTIONS . . . . . Page 20

Partial returns from the elections of 7 October indicate that extreme leftists have made slight gains while the majority of positions in congress and in the states remain in the hands of moderates and conservatives. In the gubernatorial races, conservatives have won Sao Paulo and Rio Grande do Sul, extreme leftists have won Rio de Janeiro State and the vice governorship in Guanabara, and the outcome for pro-Communist Miguel Arraes in the key northeastern state of Pernambuco remains in doubt. Extreme leftists have somewhat increased the small number of seats they hold in the Senate; most votes for the lower house have not yet been counted. [REDACTED]

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SPECIAL ARTICLES

## THE KHRUSHCHEV SUCCESSION . . . . . Page 1

The Soviet system contains no built-in machinery for ensuring the transfer of power. When Khrushchev leaves the scene, an interregnum "collective leadership" will probably provide a facade of unity behind which his lieutenants will fight for power. There are no guarantees that Frol Kozlov--Khrushchev's present successor-designate--will emerge victorious from such a struggle. Some adjustments in policy and administrative structure will certainly result from the succession, but the new leadership will probably adhere in general to the Khrushchev line. [REDACTED]

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LAND REFORM IN IRAN . . . . . Page 10 25X1

The Iranian Government's program of breaking up the estates of large landowners and distributing them to peasants has been under way since last March. It aims to increase agricultural productivity by introducing modern farming methods and by providing the peasants with the incentive of ownership. If fully implemented, the program also will bring revolutionary changes to Iranian rural society. Peasant impatience with the slow pace of reform could upset the regime's orderly timetable.

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